

NOTES ON GIVING

A. Introductory

1. Title deliberately omits the word "money," since it is sometimes more important to realize that what is given is approval or an opportunity to do something and not money with which to select one thing or another.
2. The context of giving is no longer that of a traditional society, it is an adaptive society with numerous needs for change and adaptation.
3. There are going to be very few uses of the words "ought" and "must," for I think it much more sensible, in commenting on giving, to recall the remark of an elderly Frenchman to a friend of mine: "Remember, you can have anything you want in this world, only don't forget to pay for it." Each and every form of giving is likely to have price tags, or disadvantages, along with the more obvious or readily foreseen advantages.

B. The motives and purposes for giving

1. Because the giver fully agrees with the receiver in his sense of values and in what might sensibly be done.
2. The donor's desire for honor, distinction, and esteem, ~~gratitude~~.
3. Good public relations, which in part at least is the anticipation of or the prevention of hostility and criticism.
4. Repentance.
5. ~~Thankfulness~~
5. Avoidance of taxes.
6. To obtain control or influence over the recipient.

C. Purpose in receiving money

1. To get something done in line with institutional objectives or personal convictions or curiosities.
2. As a means of advancing the personal career of the recipient or improving his status among his colleagues.
3. The advancement of knowledge (related, of course, to curiosity) and the spread thereof.
4. Humanitarian service (e.g., increasing the case load of a child guidance clinic.)

D. Types of donors

1. Individual

a. Advantages

Easy to start any undertaking and to make new experiments and to change. Individual has the advantage of relatively large measure of freedom and promptness of maneuver and decision.

b. Disadvantages

The disadvantages of the individual as a donor are that he is usually occupied with other affairs and cannot give the project his entire time. He is also under severe temptation to exercise proprietary control, and only rarely is he well informed about the experience and present activities of other people in the field under consideration. He is also limited by the chances of illness and "old mortality."

2. Foundations

a. Advantages

The advantages of foundations derive from combined efforts of several people with still a relatively large amount of freedom in point of initiative, experiment, and adaptations. Foundation structure gives permanence and, if there are full-time officers, gives a focus of attention that can be only rarely exercised by individuals.

b. Disadvantages

In the limitations experienced by foundations, one encounters limitations of a financial sort in all but the largest foundations, and sometimes there. The foundation may be, like the private donor, impatient for quick results and more assured of the wisdom of its decisions. In the selection of programs, foundation trustees may be influenced by vanity or desire for public approval.

3. Government

a. Advantages

The advantages of governmental giving are the amounts that can be appropriated, which may be very large. High probability of continuity if the service rendered is widely acknowledged to be valuable.

b. Disadvantages

Governmental giving is open to partisan or regional pressures. The giving is likely to be assured for only one year at a time. Terms of a given award are too inelastic. Purposes depend upon the level of comprehension of voters and their representatives and consequently inclines to be strongly utilitarian rather than the pursuit of so-called "useless knowledge." Government service tends to become routine, with a considerable loss of the sense of personal accomplishment.

D. - Duration of F

E. Scale of operations on the part of the donor

The amount of money and professional attention that can be given by a donor to the selection of projects, to negotiation of them, and to the supervision or contact required after the grant has been made, determines in large measure the sorts of things that the donor can do. It is usually assumed that administration costs for the giving of money can be negligible. This is not the experience of the largest or the best foundations. Administration costs vary between 4% and 16%. It is doubtful whether any donor of less than \$200,000 a year will consider it wise to spend as much as 10% of this sum in administration. As may be expected,

small-scale donors can best confine their attention to small grants and limited programs, though the temptation will often be to scatter their efforts in a large number of probably insignificant "exploratory grants." Certainly, large gifts are more appropriate and almost limited to large donors, though here also the temptation is almost overwhelming to develop extremely extensive interests by making a large number of small grants.

F. Nature of operations

Operations and activities of a donating organization or individual may be, in general, of two types:

1. Operating programs, in which the personnel of the fund or foundation takes a direct administrative responsibility in the expenditure of funds and the doing of the work to be helped.
2. The other activity is limited to the giving of money to the people who are doing the work, but not using the foundation's personnel in the activities aided.

3. Different climates e.g. decades and what they meant.

G. Organization

Ranging from the private donor to the government bureau that makes appropriations to other organizations, we can observe a wide variety in the organization of donors or donating groups. A large foundation illustrates the functions listed below, frequently by having individuals who are charged with these functions:

1. Charter and by-laws, including the name of the organization and its declared purpose. Advantage of broad terms in defining the purpose.
2. Trustees. Function is that of consultants, giving or withholding approval to projects submitted to them. They are advisers, with the further advantage of providing continuity and legal responsibility for the actions of the donor.
3. Officers. The function of the officers is to give a large measure of, or exclusively, their time to the work of the organization. Time must be given to the study of conditions, to proposing programs of activity, and to negotiation and supervision of projects approved by or to be approved by the trustees.
4. President. Has the function of centralizing. President is the focal point between officers and trustees and also the chief administrator and figurehead of the organization to the public.
5. Treasurer. Responsibilities and function are the financial accounts of the organization and the major share of responsibility as agent for investment of the funds. (Finance committee of the trustees theoretically helps the treasurer but in many instances fails to do a good job in this direction.)
6. Legal counsel. Should act as the adviser regarding the legal aspects of actions on the part of the foundation before such actions are taken, as well as acting as its representative in all questions of legality affecting the organization.

7. Auditor. As a protection against mismanagement, misunderstandings, and inefficiency. The accounts of the organization should be audited by an outside firm, and it may be noted that in this point you get just about what you pay for, and emphasis can well be put upon quality and thoroughness of the annual audit.
8. Meetings. The number per year will vary with the size of operations. Preparation for the meetings is covered later, under discussion of docket. The place of meetings is usually influenced by the convenience of the trustees, who usually abuse this concession and arrange for appointments that conflict with the time they owe to their work as trustees. To offset this tendency, meetings can sensibly be set for a place outside of the larger cities and not too near, so that the trustees will give the maximum amount of attention to the work at hand. Relationship of annual meeting to executive committee meetings.

H. Officers

1. Functions

- a. To study and evaluate possible projects.
- b. To initiate, propose, and prepare projects for the trustees.
- c. To negotiate and keep in touch with projects and programs after they have been approved in principle by the trustees.
- d. Officers often tend to be used as advisers to undertakings that want money or, in some cases, only advice. This may take a considerable amount of officers' time. It should be noted that the number of officers in a fund or foundation usually affects the number of projects submitted to the trustees, i.e., the more officers, the more projects.

In essence, the officers' functions include two quite different activities: first, that of a judge or buyer; the second, when the officer appears before the trustees, is the task of an expositor, advocate, and seller. Perhaps a third function is more important, though less easily definable, namely, an imagination sensitive to the needs of society and to possible ways of meeting these needs.

2. Qualifications

These relate directly to his sense of values and his convictions, the depth and tenacity of the latter being important, as well as the quality. He needs to be modest and tactful, capable of teamwork, and with an impersonality that suggests the midwife rather than the proud parent. He cannot afford to regard the work of others as his own personal accomplishment. It is wise to have officers whose technical familiarity with their field contributes rather than handicaps their discernment and discrimination. Perhaps the officer's capacity to grow on the job and acquire better values is the most important consideration among his qualifications. It may be occasionally valuable to find out as near as possible what the officer's view of the power that he unconsciously exerts may mean to him and whether it is accompanied by an appropriate measure of responsibility.

3. Officers' temptations

The enjoyment of power and status. "Nolo episcopara." The temptation to play favorites, whether among activities or among individual recipients. This can sometimes be diminished by requiring the recipient to put up a large enough fraction of the cost of the project to assure that there is local interest, and not mere receptivity. The officer is also subtly tempted to what is known as the "Santa Claus complex," and also to begin to take his own opinions as more important than they usually are and to pontificate regarding them. It is wise to remember that, relatively speaking, the largest foundations have more money than brains.

4. Selection of officers

The question of training of officers. Is being an assistant good training? Danger of nepotism. What do you start with as convictions and values? Administrators don't necessarily have better values than other people.

5. Salaries and tenure

Relation of salaries to academic salaries. Function of yearly re-appointment. Retirement arrangements, and age for retirement. Resignations. Promotion policy.

I. Trustees

1. Functions

Dispose, not propose. Knowing the work of the organization. Travel. Reinforcing the conscience of the officers. Brooding. As personal advisers to the president (note Walter Stewart's theory).

2. Selection

Relation of the founder to the board of trustees. Relation of trustees to the officers, and theirs to the trustees. Importance of trustees' representing different areas of experience and point of view. Newspaper men and publicists. Educators. Financiers. Artists. Research men. Political experience. Religious affiliations.

J. Programs

The advantages of a new foundation. Time to study, investigate, and review. Selection of programs. Solandt's remark about giving the Greeks not the best laws, but the best laws they were capable of receiving. "The program of the GEB is to have no program." Rose's "I can tell you what the RF has done. I cannot tell you what it will do." Program as a shield for officers. How do you decide what to do, and how do you pick the projects within any such area? The desirability of programs' having an explicitly defined termination. The burden of unfinished programs when a new officer is brought in. What balance is reasonable between gilt-edged projects and speculative "fliers"? The temptation to too many and too hastily prepared exploratory programs - the need for some. The value of keeping a list of "leads"; i.e., fields of future interest.

K. Procedure

1. Officers' conference. Clearing recommendations with the president and fellow officers. The inherent difficulties of joint programs. The risk of having to put a proposal through too many sieves.
2. Docket. Writing the docket. Headings and their contents. The effect of the clause "or as much thereof as may be necessary." Effect of a well-prepared docket on the trustees. "Authority to negotiate." Extensions, renewals, and amendments.
3. Meetings. How many? When? Where? Limiting the executive committee in amounts. Oral presentation to express the officer's assumptions, hopes, hunches, reservations, forecasts, and answers to questions. The formula that runs: what it is; what it is not; what it is a part of; and what it consists of. Getting votes of conviction rather than votes of confidence. What kinds of questions can trustees ask helpfully? Records of meetings (minutes of finance committee).
4. Notifying the recipient. The implications of leaving to the recipient the release of the news of a grant. The importance of an officer writing a letter explaining in detail the meaning of the terms of the grant, especially unexpended balances and the means of authorizing changes and the desire of the officers to keep out of administrative control of the grant.
5. Publicity. Annual reports of two kinds: formal annual report as a matter of record, and the president's review - high-lighted and popularized account. Value of reporting projects to the trustees. Confidential bulletin. The value and importance of a financial statement.
6. Communications within the organization. Frequent absences on travel make such communications of special importance. The value of the home office having clear understandings with its representatives abroad. RMP's understanding with his representatives. Memoranda. Diaries to present the evidence. Hard to know what impresses you at the time. Keeping a diary affects the way you ask questions and the way you listen at an interview. Also useful as a record of what was said and not said. Value of exchange of letters after an important interview. Letters - usually too full and too varied. J. D. Greene's remark about telegrams. Records of projects. Lack of adequate record of what was expected. Visits to home office and the effect of air travel.

L. Officers' work

1. Study. Cumulative nature, especially with regard to his knowledge of persons and institutions. Officers always complain that they don't have enough time for reading and thinking. Special assignments to others.
2. Reports and records. Survey before any program is taken up. Brevity in a winding sheet. Declinations. Other types of writing. Speaking and public addresses. Reports from recipients.
3. Travel. Invitation. Value of comparisons. Purpose: to find men with ideas, on their home grounds, and men that are better than you are. Choose so well that you don't want to control them. Wait till the heart leaps up. Working

from the top down. The proprieties of approaching the research worker. Expense accounts. Hospitality. Hotels versus private hospitality. Courtesy fund. Dangers of carrying the news.

4. Interviews. Accessibility of officers. Persons. What does he want? Advice versus money. "Share the thinking." Estimating the man. Character. A. V. Hill's story. Getting impressions from others (Pasteur). A man's ability to lead his own colleagues. His past record. Percival Bailey's remark. The importance of putting an asker at his ease. Not to an individual, but through him.
 5. Attitude of an officer. Buttrick's "extra engine." Officer as an advocate going before a court regarding somebody else's money. Double role of the officer as buyer - sensitive, restless, imaginative, critical, discriminating; and as seller - candid, clear, convincing, responsible. Giving credit for the work done; especially important abroad. Midwives. Gratitude to recipients; e.g., the Poles in Parana. Attitude to honors, degrees, and the naming of enterprises.
 6. Conduct of negotiations. The importance of having an initial understanding with the administration of the institution. Asking for information. What the officer can promise, and warnings of his inability. Negotiations throughout the year. The importance of winter and early spring.
 7. Advice - "Is this worth doing?" often asked of officers.
- M. The psychopathology of giving.

My interview with the Hungarian. The effect of the "Jehovah complex" and pontificating. Giving approval. The dangers of testimonials. The alternative to making a specific gift is not keeping the money in the bank, but giving it to someone else. Granting means approval, but not granting does not mean disapproval. Resentment at proprietary control. The attitude of askers. Ingratulating, argumentative ("why not?"), self-depreciating, and naive. The reactions of the receiver - gratitude and hard work; dependence and relaxation of effort; suspicion and irritability; indifference.

N. Forms of giving

1. Endowment

Outright or contingent. Contingent depends upon general financial situation, on other foundations, and on the desirability of having an inducement or leverage for raising further funds. Modifications of contingent, part being outright and part on a dollar-for-dollar basis. Advantages of endowment in point of clarity of termination. Investment trusts.

2. Buildings

State universities versus private universities, and their attitude towards buildings. Private persons as donors of buildings. The Lyons experience. Preliminary study before planning a building.

3. Fellowships

General advantages. Multiplied by time. Adaptation of the fellow and his newly-acquired ideas to the local scene. Types of fellowships. Scholarship

at full cost. Pre-doctoral. Note the Cope Fellowships at Harvard. Post-doctoral - Cambridge, Beit, Welch, Markle. Selection of the fellow. Considerations of age, and guarantee of post on return. Choice of his place of study. Best duration of fellowship. Follow-up. When can the advantages of a fellowship be best evaluated?

4. Grants in aid

a. Purposes

Informative; for example, a government that has money to do something has no money to find out how to do it. Grants in aid can be useful to explore a potential area of research. Purpose of the grant in aid may be to encourage a competent worker who is ignored or distrusted. Grant in aid can provide a trial run for a task that may later deserve larger support. Grant in aid may be used for salvage purposes.

b. Grants in aid usually stand on four legs:

- (1) Feasibility - is it a good lead in the present stage of knowledge? This requires technical knowledge on the part of the officer proposing the grant.
- (2) Is the leadership satisfactory? What about the age, health, character, competence, and record of the performers?
- (3) Are the circumstances favorable? Does the institution know about and support the enterprise? Is the institution solvent? Is the material to be studied adequate?
- (4) The board of trustees' policy or interest.

c. Contingent or outright. The question of institutional overhead.

d. Duration of the grant. The role of tapering. Forward financing. Curb-sticking. Six years' support for five years' work.

e. Types of work as they affect the form of the grant. Mining versus smelting.

f. Defects of grants in aid

Soft money. Good askers. Mendicity versus mendacity. Donors' pride and impatience for results. Over-conscientiousness of the recipient who feels he must not change his interests during the period of a grant. Grants for approval only and relating mostly to status and promotion of the recipient.

g. Application forms? \$300 to prepare a better request.

5. Cooperation with government

Invitation to survey. Expenses of survey shared. Survey and report thereof. Project including training government personnel. Taper and termination.

O. Frontiers and foundations

Hunting for men and ideas. Memorandum from Old Man Buttrick. The importance of travel and comparison. The use of interpreters. The origin of conviction (rule of the Bank of England). "All criticism is a form of autobiography." Tendency of officer to identify with a recipient; cf. good marks given by teachers.

P. Retrospective

gratitude

The isolation of the giver from criticism. The importance of the character of the recipient. The bank at Monte Carlo. Time and tenacity. Mr. Rose's "We are not in a hurry." Advising as an officer's function. Personal relationships with the recipient. Impersonality and loneliness. What money won't buy, namely, discoveries and good morale. What giving money does not assure: success and character of the recipient. Inherited programs. Emphasis on people, and the A. V. Hill epitaph.

Farrar Brown

C. B.

Charles D.

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